

Form Number 500

Agency Adjustment Summary

State of Nebraska - Administrative Services - Budget Division

	PAGE NUMBER
	CODE & DESCRIPTION
AGENCY	050 NE State College System

EXPENDITURE ACCOUNT	ADJUSTMENTS	
	2005-2006	2006-2007
Permanent F.T.E. Positions		
511100 Permanent Salaries - Wages		
511200 Temporary Salaries - Wages		
511600 Per Diem Payments		
511900 Supplemental (One-time payments)		
All Other Salaries		
Sub-Total Salaries	0	0
515100 Retirement Plans Expense		
515200 OASDI Expense		
515400 Life and Accident Insurance Expense		
515500 Health Insurance Expense		
All Other Personal Services		
Sub-Total Benefits	0	0
510000 Personal Services	0	0
520000 Operating Expenses		
523100 Utilities Expenses	424,744	424,744
542500 Contractual Svc.-Engrs/Architects		194,400
570000 Travel Expenses		
580000 Capital Outlay		
590000 Government Aid		
Total Expense	424,744	619,144
Means of Financing		
General Fund	424,744	619,144
Cash Fund		
Federal Fund		
Revolving Fund		
Total Funding	424,744	619,144

Note: In the blank lines under Operating Expenses, itemize individual line items that comprise a significant portion of the Total Operating Expenses.

Program Adjustment Narrative

State of Nebraska – Administrative Services – Budget Division

		Page Number
	CODE	DESCRIPTION
AGENCY	050	NE State College Sys.
PROGRAM	048	System Office
REQUEST	01	Utilities Increase

Provide the following information: A) Description of Request; B) Rationale for Request; C) Impact of Request; and, D) Statutory Change if Required.

The boilers at Peru State College (PSC) and Wayne State College (WSC) utilize natural gas on an interruptible contract for heating campus buildings. The alternative fuel for both campuses during periods of interruption is fuel oil. The colleges have received information from suppliers that natural gas rates may increase by 70 to 75% and fuel oil costs may increase by around 20% during the 2005-06 year. On a managed procurement plan, WSC's natural gas rate has already gone up 48% over last September's, and actual market rates are up over 78%.

The appropriation for the 2005-07 biennium included a 10% increase for utility costs for each year of the biennium, which will definitely help in addressing these increases. However, seemingly even a conservative approach requires that we anticipate markedly higher costs. To reach a reasonable estimate of 2005-06 costs, the actual usage levels for 2004-05 (which was a milder winter than 2003-04), were increased by 60% for natural gas and 10% for fuel oil. The resulting costs are shown below, along with the shortfall requested as deficit funding. These figures apply only to the General/Cash portion of PSC's and WSC's natural gas and fuel oil budgets. Chadron State College (CSC) utilizes wood chips to provide heating for its campus, and the budgeted amount for CSC's utilities is adequate to meet projected costs. The request would be to sustain the new amount for FY06 through FY07 without a further increase. We would hope to be able to manage both years within the base plus the increased amount requested for FY06.

		FY05 cost	FY06 est.	Request
PSC	natural gas expense	\$255,404	\$408,646	\$153,242
WSC	natural gas expense	\$445,153	\$712,245	\$267,092
WSC	fuel oil expense	\$ 44,097	\$ 48,507	\$ 4,410
Total		\$744,654	\$1,169,398	\$424,744

Unfunded price increases of this magnitude would be crippling for PSC and WSC. The only inflationary increases funded for the current biennium were just enough to meet actual costs. The tuition increase for 2005-06 was kept to a minimal level to help students cope with rising costs. The rate was set only high enough to provide a small amount of relief to the colleges for inflationary costs that had not been funded for several years. If utility cost increases are not funded, reductions to services would be required that could have a direct impact on students.

No statutory change would be required for this request.

Form Number 520

Program Adjustment Request

State of Nebraska - Administrative Services - Budget Division

PAGE NUMBER

CODE & DESCRIPTION

AGENCY

50 Nebr. State College Syst.

PROGRAM

48 System Office

REQUEST

01 Utilities increase

EXPENDITURE ACCOUNT	APPROPRIATIONS		ADJUSTMENTS	
	2005-2006	2006-2007	2005-2006	2006-2007
Permanent F.T.E. Positions				
511100 Permanent Salaries - Wages				
511200 Temporary Salaries - Wages				
511600 Per Diem Payments				
511900 Supplemental (One-time payments)				
All Other Salaries				
Sub-Total Salaries	0	0	0	0
515100 Retirement Plans Expense				
515200 OASDI Expense				
515400 Life and Accident Insurance Expense				
515500 Health Insurance Expense				
All Other Personal Services				
Sub-Total Benefits	0	0	0	0
510000 Personal Services	0	0	0	0
520000 Operating Expenses				
523100 Utilities Expenses	1,487,675	1,636,443	424,744	424,744
570000 Travel Expenses				
580000 Capital Outlay				
590000 Government Aid				
Total Expense	1,487,675	1,636,443	424,744	424,744
Means of Financing				
General Fund	1,487,675	1,636,443	424,744	424,744
Cash Fund				
Federal Fund				
Revolving Fund				
Total Funding	1,487,675	1,636,443	424,744	424,744

Note: In the blank lines under Operating Expenses, itemize individual line items that comprise a significant portion of the Total Operating Expenses.

Program Adjustment Narrative

State of Nebraska – Administrative Services – Budget Division

		Page Number
	CODE	DESCRIPTION
AGENCY	050	NE State College Syst.
PROGRAM	048	System Office
REQUEST	02	So. Sioux City Planning

Provide the following information: A) Description of Request; B) Rationale for Request; C) Impact of Request; and, D) Statutory Change if Required.

This request is for \$194,400 to fund planning through design development for a joint educational facility in South Sioux City. The educational partners in this venture are Wayne State College (WSC) and Northeast Community College (NECC).

In February, 2005, continuing a working relationship that has developed concerning the best way to serve students in the northeast Nebraska area, the Nebraska State College System as represented by WSC and NECC signed a Memorandum of Understanding agreeing to continue planning for and working toward a joint educational facility to be located in South Sioux City, Nebraska. The Boards for both sectors have been supportive of this joint effort.

An appropriation of \$133,400 was included in LB 425 (2005) to begin the planning process for this project. Representatives from the colleges have been meeting with consultants, conducting research and analysis of the market, reviewing program alternatives, and studying the kind of facility that would best meet the needs of area students. By early in 2006, market research and program analysis, correlated with a program statement, will be submitted to the Coordinating Commission for review.

The intent of the partnership is to provide reasonably priced educational opportunities for students in one of the fastest growing parts of the state. Area students come from culturally diverse backgrounds, and many are place-bound working adults trying to improve their knowledge and skills. Postsecondary education that is affordable and available close to home will provide the best opportunity for many of these students to gain the education they need to earn higher salaries and become community leaders.

Planners are looking at a range of programmatic options, which will dictate the size of the building needed. Assuming a 45,000 gross square foot building, and estimating the cost at \$180/square foot, the building is projected at a total project cost of up to \$8,100,000. Construction would represent about 80% of the project, or \$6,480,000; and professional fees at 7.5% of construction would total \$486,000. To develop the project through design development, approximately 40% of the fees are needed, or \$194,400.

The colleges are working through funding possibilities, such that each partner would bear a proportional share of the costs. Conversations are ongoing with interested federal, local, and private parties. To complement the funding provided through the state appropriation to the NSCS, NECC estimates that it has contributed an estimated \$113,900 to date in planning for this project, including development of an initial campus site plan, legal assistance in determining feasibility of the facility and arranging for the land donation from the city, and joint focus meetings and advisory committee meetings with WSC, area leaders and employers. Planning has helped identify academic programs, student and staff support services, public relations and fundraising activities. Consultants have conducted two surveys to identify educational needs and evaluate satisfaction with programs and services offered by NECC. Both college presidents and South Sioux City Mayor McLarty traveled to Washington, D.C. concerning federal funding opportunities, and a marketing campaign has been implemented.

Funding to continue this planning effort will help attract additional funding for the facility. Until the facility is in place, students' options are limited to much higher priced alternatives, which has the effect of closing the doors of opportunity for many area residents. No statutory change is required to accomplish this planning.

Form Number 520

Program Adjustment Request

State of Nebraska - Administrative Services - Budget Division

PAGE NUMBER

CODE & DESCRIPTION

AGENCY

50 NE State College Syst.

PROGRAM

48 System Office

REQUEST

02 So. Sioux City Cntr. Plan

EXPENDITURE ACCOUNT	APPROPRIATIONS		ADJUSTMENTS	
	2005-2006	2006-2007	2005-2006	2006-2007
Permanent F.T.E. Positions				
511100 Permanent Salaries - Wages				
511200 Temporary Salaries - Wages				
511600 Per Diem Payments				
511900 Supplemental (One-time payments)				
All Other Salaries				
Sub-Total Salaries	0	0	0	0
515100 Retirement Plans Expense				
515200 OASDI Expense				
515400 Life and Accident Insurance Expense				
515500 Health Insurance Expense				
All Other Personal Services				
Sub-Total Benefits	0	0	0	0
510000 Personal Services	0	0	0	0
520000 Operating Expenses				
542500 Contractual Svcs-Engineers/Architects	133,400	0	0	194,400
570000 Travel Expenses				
580000 Capital Outlay				
590000 Government Aid				
Total Expense	133,400	0	0	194,400
Means of Financing				
General Fund	133,400	0	0	194,400
Cash Fund				
Federal Fund				
Revolving Fund				
Total Funding	133,400	0	0	194,400

Note: In the blank lines under Operating Expenses, itemize individual line items that comprise a significant portion of the Total Operating Expenses.